Project **M**anagement **O**ffice

Issues and Risk Management Plan for Capital Systems Improvement Project

Revision #

Office of Financial Management

Revision History

Revision	Date	Author	Description of change
1.1	June 28, 2006	Vicki Rummig	Per review meeting: • Clarify roles & responsibilities • Examples of acceptable margin for technical performance • Clarify qualitative analysis • Update quantitative analysis • Adjust issues to not require Access as tool

Statement

Describe the purposes and importance to the project of identifying and tracking risks.

The Issues and Risk Management Plan identifies an agreed to process for identifying tracking issues and potential project risks. Risks and issues are items that will potentially affect the progress of the project and should be tracked closely.

Objectives

State the objectives of the risk management plan.

The Issues and Risk Management Plan will address the roles, processes, and tools for issues and risk management. This planning process will help to ensure that issues and risks are identified early, monitored frequently, and responded to in a timely manner when realized.

Roles and Responsibilities

Use a table like the following to depict the roles and responsibilities of all participants in the Issues and Risk Management processes.

Table 1 – Roles & Responsibilities

SWFS Manager	Product Mgmt	Project Manager	Project Team	Leadership Team	Executive Sponsor
• Identify risks/issues • Assist in risk/issues mitigation • Provide resource for risk/issues mitigation/ contingency	• Owns Issues • Identify risks/issues • Alert regarding risk/issues triggers • Assist in risk/issues response	• Owns Risks • Review prior projects risks, issues, lessons • Identify risk • Record risk • Prioritize risks • Assign risks • Monitor risks • Alert regarding risk triggers	• Review prior projects risks, issues, lessons • Identify risk • Prioritize risk • Monitor risk • Alert regarding risk Triggers • Assist in risk response	• Identify risks/issues • Assist in risk mitigation	• Identify risk • Assist in risk mitigation • Provide resource for risk mitigation/ contingency

Risk Qualitative Priority Requirements

Risks will have a different level of review depending on the qualitative priority assigned. The below table demonstrates priority assignments and action required given the respective priority.

<see next page>

Table 2 – Priority Requirements

Severity – use Table 3 / Likelihood	High Impact - 3	Moderate Impact - 2	Marginal Impact - 1
Probable - 3	• Determine risk contingency • Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed	• Determine risk contingency • Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed	• Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed
Possible – 2	• Determine risk contingency • Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed	• Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed	• Assign Owner • Check weekly status • Adjust priority as needed
Unlikely - 1	• Assign owner • Determine risk trigger • Identify risk response • Check weekly status • Adjust priority as needed	• Assign Owner • Check weekly status • Adjust priority as needed	• Assign Owner • Check weekly status • Adjust priority as needed

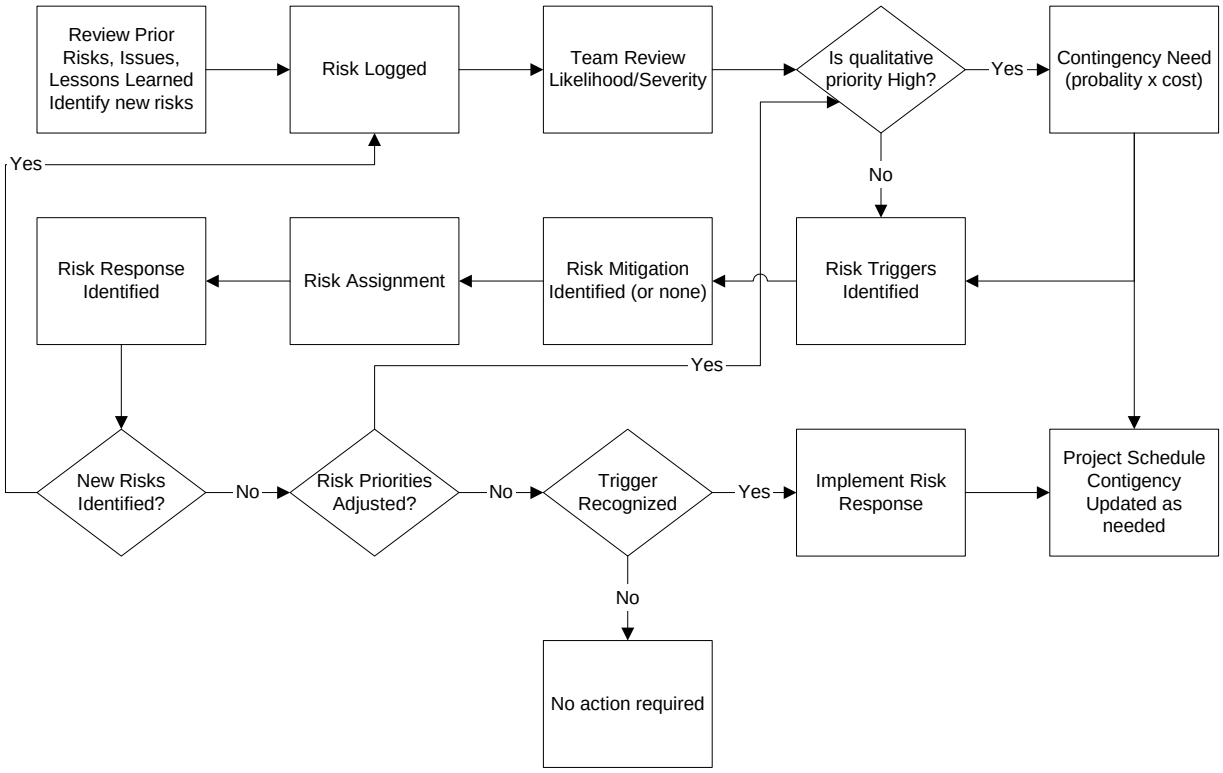
Priority = score is (likelihood*severity)

Table 3 - Evaluating Severity of a Risk

Impact Area	Marginal	Moderate	High
Technical Performance ***Example Margin*** *Process transactions in < 30 seconds*	Minimal or no impact Acceptable - some reduction in margin *Process < 10 seconds*	Acceptable - significant reduction in margin *Process < 25 seconds*	Acceptable – no remaining margin Unacceptable Significant improvement in performance (positive) *Process =30 seconds*
Schedule	Minimal or no impact Additional resources required – able to meet dates	Minor slip in key milestone – unable to meet dates	Major slip in key milestone or critical path impacted Cannot achieve major project milestones Shortens the critical path by 10% or more (positive risk)
Cost	Minimal or none <5% cost increase	5-10% cost increase	>10% cost increase >10% cost decrease (positive risk)
Scope/ Functionality	Insignificant change in scope	Minor areas of change in scope	Major areas of change in scope Scope changes unacceptable to client or significantly alters the project or deliverables.
Quality	Insignificant quality reduction Quality reduction in minor areas only	Quality reduction requires client approval	Quality reduction unacceptable to client Project end item is effectively unusable Improves the product's fitness for use (positive risk)
Impact on other teams	None/Some	Medium	Major imposition/ Unacceptable Makes additional resources available (positive risk)_

Risk Process

Describe the stages of the risk management process and provide a process diagram.



Risk Register

Use a Risk Register to help with the assessment and control of risks throughout the life of the project. The project manager will review the register at least weekly and facilitate team reviews as needed or at least once per month.

Risk Identification – A unique number identifier for each risk.

Risk Description – A brief description of the risk. A risk is a potential threat or benefit to the project that is whose instance and effect are not known or realized.

Qualitative Risk Analysis – Describes the likelihood and consequence (severity) if a risk is realized. The Likelihood x Severity helps to prioritize risks to better determine what risks should be monitored and mitigated more closely.

Quantitative Risk Analysis – Quantitative Risk Analysis allows the team to quantify contingency needed to cover risks. Risk contingency will be developed by multiplying the probably of risk with the impact for any risk that has been identified with a high likelihood and/or high severity. Contingency will only be calculated for items with a priority score of 6 or 9.

Risk Owner – The Risk Owner is responsible for mitigating risks as determined by the project team, identifying when a has been triggered, and ensuring that the risk response plan has been initiated when needed.

Mitigation Plan – The steps the project team will take to reduce the likelihood of the risk being realized or impact of the risk.

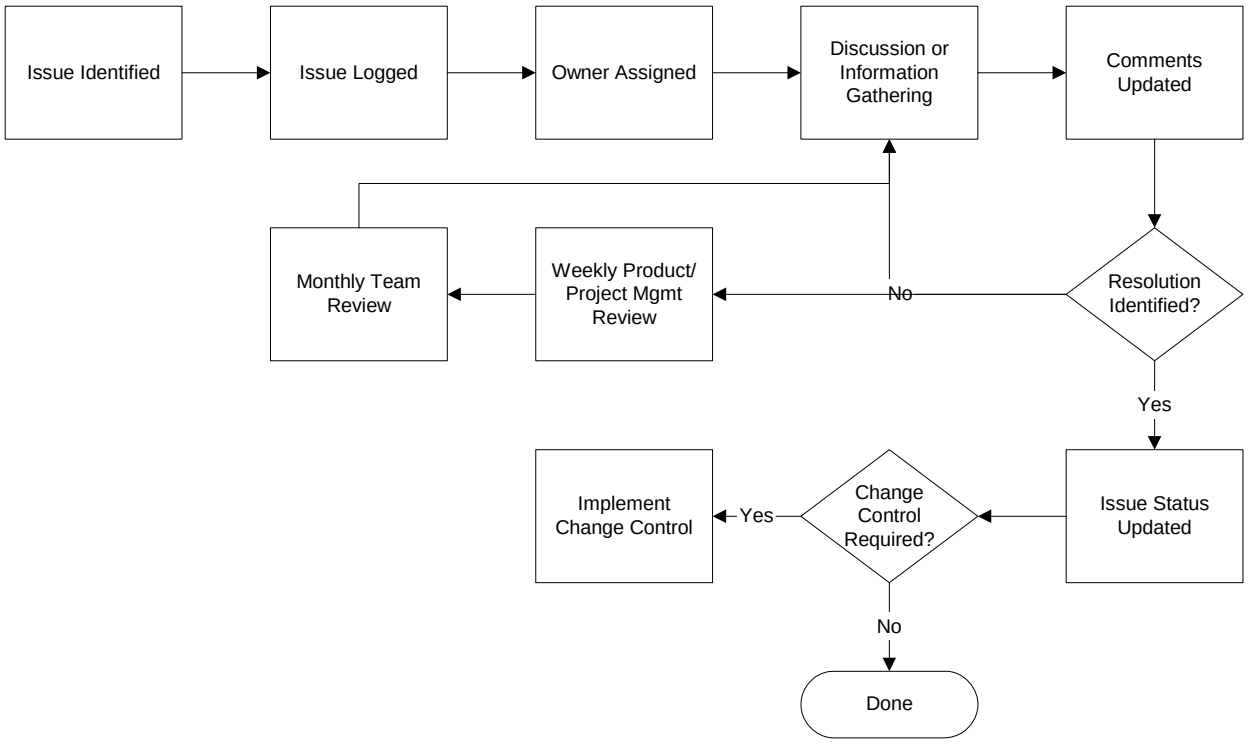
Risk Trigger – An action or occurrence identified by the project team to indicate when a risk has been realized and is now an issue to be corrected or responded to.

Risk Response Planning – Risk Response Plan is the team agreed action for when a risk has been triggered.

Risks will be monitored on an ongoing basis to quickly identify new risks, risks that have been triggered, as well as to adjust priorities and risk response plans as appropriated. The Project Manager will be responsible for reviewing risks on a weekly basis and facilitate a team review as needed, at least monthly.

Issues Process

Describe the stages of the risk management process and provide a process diagram.



Issues Log

Use an Issues Log to help with the recording and tracking of project issues. An issue is an item that is brought up for discussion and/or decision that will affect the project or product. Often an issue is stated in the form of a question (i.e., where will we get the

data for x). The project manager will review the register at least weekly and facilitate team reviews as needed or at least once per month. The Lead Business Analyst and/or Product Manager using Test Track Pro will maintain the log. The Lead Business Analyst and/or Product Manager will be responsible for ensuring that resolved issues are properly accounted for in design and test planning documents.

Issue Identification Number – Number to uniquely identify and track the issue

Issue Summary – A brief description or title for the issue

Issue Type – Type of issue; design, data, business

Status – Status of the issue; open, pending, on hold, closed, requirement (may be subject to change control process)

Comments – Record all discussion regarding the issue for an easy audit.

Requirement – Issues often lead to a new functional or business requirement to resolve. Record the requirement here. All requirements are subject to the change control process.

Submitted By – Person who identified the issue.

Assigned To – Who is responsible for determining resolution

Date Entered - The date the issue was originally entered (Access will auto fill).

Date Updated – Last time the issue was updated (Access will auto fill).